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CPW Report No. 38--COMMUNIST CHINA
(Sept. 1-7, 1952)

CONFIDENTIAL SECURITY INFORMATION

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SUMMARY

Mac's VJ-Day anniversary message to Stalin gives full credit to the USSR and admits China's debt, but also hints that more Russian aid will be needed to cope with a resurgent Japan. V-J celebrations in the Northeast, directed by the SSFA, stress China's debt to the USSR and the need to Russianize all of China. However, in other areas Soviet praise is more subdued, with credit going to the Chinese Communists and Army.

War propaganda continues to assure the people by boasting of Chinese victories and ridiculing American weaknesses, but at the same time to frighten them into more determined action by accusing the Americans of using Japanese in Korea and deliberately preventing a truce. Trade difficulties are evident, while summer grain collections are not satisfactory, despite the "zeal" generated in peasants by the "personal interest" of collection officials.

Continued indications of widespread counterrevolutionary activities include an admission that reinforcements were sent to Tsinghai to defeat 1,000 rebels who attacked Army units. Religious groups and teachers are used to promote Communist dogma, with enthusiastic claims of success, but Szechwan peasants were "frightened" when they thought further land reform was coming. Also interesting is an order for closer checks on low-level cadres, apparently because of deviations resulting from close contacts with the people. Literary workers are criticized, and ordered to organize for a purge.

A private shipping company 120 years old has been taken over by the Government because of financial troubles, though its losses probably resulted from the anticorruption drives, which made many private firms dependent upon the Government. The new judicial reform movement is showing unmistakable similarities to the anticorruption drives against businessmen.

Unusual boldness in calling the Quirino Government a "puppet" regime and referring to the Huks as "Forces of the People's Liberation Army" might foreshadow a new propaganda drive against the Philippines, or the bolstering of guerrillas there.

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